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Ambassade du Canada

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November 3, 2010

Lisa Jackson
Administrator
United States Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Dear Madame Administrator,

The Government of Canada has reviewed the letter submitted on July 16, 2010, by the United States Environmental Protection Agency (EPA) providing its comments to the Department of State in response to the inter-agency consultation on the permitting process for the proposed Keystone XL pipeline project.

Considering that Canada and the U.S. have committed to the same 17% greenhouse gas (GHG) reduction target at Copenhagen, we are concerned with the EPA's recommendation that extraction-related GHG emissions in Canada form part of the Environmental Impact Statement included in the permitting process.

In various international agreements, including in the recently concluded Copenhagen Accord, it is recognized that countries may set economy-wide emissions targets. This has been a long-established practice in our bilateral relationship and was clearly laid out in the State Department's 2009 decision to issue a Presidential Permit for the Alberta Clipper pipeline. In its National Interest Determination, the State Department noted:

"The administration believes the reduction of greenhouse gas emissions are best addressed through each country's robust domestic policies and a strong international agreement."

Moreover, it is relevant as well to consider the compatibility of our environmental assessment regimes and the ways they complement each other. Our two countries have traditionally relied on each other to ensure that we each adopt sound environmental management practices to protect our common North American environment, while respecting the sovereignty of our independent decision-making processes.

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: ADOLPH H EISNER
DATE/CASE ID: 28 FEB 2012 201100399

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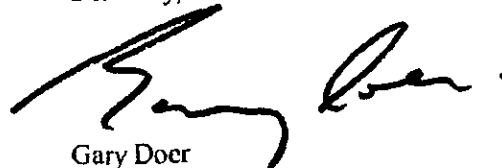
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Like the U.S., Canada is working within the confines of its own regulatory processes to mitigate climate change impacts at home. The 17% GHG reduction target we committed to at Copenhagen, establishes a benchmark we intend to meet through a combination of regulation and clean energy technology development. We have already taken several important steps towards meeting this objective. In addition to major government investments in carbon capture and storage, advanced biofuels and energy efficiency initiatives, Canada recently announced that it is taking action to reduce GHG emissions in the electricity sector by moving forward with regulations on coal-fired electricity generation.

As you are aware, we are also working with the U.S. towards common North American standards for regulating greenhouse gas emissions from vehicles, and have published final regulations for new light-duty vehicles, under the Canadian Environmental Protection Act that are harmonized with those of the U.S.. Building on this successful collaboration between Canada and the United States, we will continue to work together to do the same for heavy-duty vehicles. This is in addition to the important work both countries continue to undertake in promoting the development of low-carbon energy technologies through the Canada-U.S. Clean Energy Dialogue.

In addition to sharing a common commitment to greenhouse gas emission reductions, domestically and at the international level, it is important to note that Canada is the United States' largest, most accessible and secure supplier of energy. As both our countries continue to build clean energy economies, it is important that we assess and discuss policy issues of concern that may arise. I would welcome the opportunity to further review with you the issues outlined in this letter and look forward to your consideration of this matter.

Sincerely,



Gary Doer
Ambassador

c.c. The Honourable Hilary Clinton, Secretary of State
David Goldwyn, Coordinator, International Energy Affairs, Department of State
Cynthia Giles, Assistant Administrator, U.S. Environmental Protection Agency
His Excellency David Jacobson, Ambassador of the United States of America to Canada

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